

# TAXATION

Table 206.-- Surtaxes

State	Surtax	Amount <u>2/</u>	Period or Conditions	Purpose
AL	Shared cost assessment	Not specified <u>3/</u>	*****	Shared or socialized costs
	Special tax assessment	.06% <u>3/4/</u>	Until March 31, 2002	Job search & placement, admin., repayment of advances
AK	*****	*****	*****	*****
AZ	Additional	1.0% - 2.0%	Applies only to shared work ERs with neg. bal.	Limit shared work ERs' deficit
	Job Training Assessment	0.1%	CY 2001-2007 All	Job Training
AR	Stabilization	.7% - 1.1% <u>3/</u>	When fund falls below .05% or .25% of payrolls	Solvency
CA	Emergency solvency surcharge rate	1.15% of ER's rate in sched. F	Fund below .6% payrolls	Solvency
	Surcharge for Employment and Training Fund	.1% <u>4/</u>	Expires 2002	Training and admin. costs <u>6/</u>
CO	Surcharge tax rate	.22%	Benefits not effectively charged divided by total taxable payroll of all ERs, rounded to the nearest .01%	Administration, noncharged benefits
	Interest cost assess	<u>1/</u>	*****	Federal advances
	Bond assessment	Not specified <u>3/</u>	Applies when fund bal. is = to or less than 0.9% of total wages reported by ERs	Solvency and Federal advances
CT	Special assessment	<u>1/</u>	Applies only to interest due on Fed. advances	Interest on advances
	Bond assessment	Not specified	Assessment is a % of ER's charged tax rate	Repay advances
DE	Supplemental solvency assessment	.3% - 2.5%	Rate depends on TF bal.	Solvency
	Blue collar job training tax	.1% - .15% per yr. of taxable wages	Rate depends on TF bal.	Counseling, training, placement of dislocated workers
	Temp. Emer. Assess.	<u>1/</u>	Applies only when interest due on Fed. adv.	Interest on advances
DC	*****	*****	*****	*****
FL	*****	*****	*****	*****
GA	Admin. Assessment	.08% <u>3/</u>	Expires Dec. 31, 2005	Admin.
HI	Employment and training fund assessment	.03% of taxable wages <u>3/4/</u>	Effective Jan. 1999 thru Dec. 31, 2002	Administration and training

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Table 206.-- Surtaxes (Continued)

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ID	Fed. Advance interest repayment tax	<u>1/</u>	Applies when int. due on Fed. Advances	Int. on Fed. advances
	Reserve tax	Taxable wage rate less assigned contribution rate	Res. Fund is 1% or less of taxable wages	Loans, Fed. adv., int. on adv. ES & UI admin. costs
	Training tax	3.0% of taxable wage rate	Excludes deficits ERs from rate class 6. Expires Jan. 1, 2002	Training & Admin. of training fund
IL	Fund building tax	.4%	*****	Solvency, Admin.
IN	*****	*****	*****	*****
IA	Admin. surcharge	.05% of Fed. taxable wage <u>3/</u>	Expires July 1, 2001	Cost of job serv. offices
	Temporary emergency surcharge	<u>1/</u>	Applies only if int. due on Fed. advances	Int. on advances
KS	Surcharge	0.2% - 2.0%	Applies only to neg. bal. ERs. With 2 or more yrs. experience	Limit neg. balance ERs. Deficit
KY	Additional contribution	0.3%	Applies if insuff. funds are made available from Fed. Gov't.	Admin.
	Service Capacity Upgrade Fund	Not specified	Applies when tax rate redu. occur from the new rate sched. from Jan. 1999 - Dec. 31, 2001	Technology
LA	Bond repayment assessment	1.4% on \$15,000 wage base <u>1/6/</u>	Applies only if bonds issued or outstanding	Pay bonds issued to pay Fed. adv., admin. costs
ME	Special assessment	<u>1/</u>	Applies when int. due on Fed. advances	Int. due on Fed. adv.
MD	Fund balance tax	.1% - 2.7% <u>3/</u>	When fund below 4.5% of tax. wage	Solvency
MA	Unemp. health ins. contrib.	Max. of \$1,680 per EE	Applies to ERs w/ EE of 6 or more and 1 year exp.	Medical Security Trust Fund
	Workforce training	0.075%	Effective for 1999-2002	workforce training
MI	*****	*****	*****	*****
MN	Solvency assessment	10% of taxes <u>3/</u>	When fund under \$150M	Solvency
	Special Assessment	0.1% <u>3/</u>	0.02% if balance is greater than \$30 million	Workforce Investment Fund
MS	Solvency rate	1.0% <u>3/</u>	Fund res. ratio below 4%	Solvency

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Table 206.-- Surtaxes (Continued)				
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MO	Additional rates  Additional rate	rates incr. 10%-30% plus  <u>1/</u>	When fund below \$300M, 10%; when below \$250M, 20%; when below \$200M, 30%  Applies only when int. due on Fed. loans	Solvency  Int. on Fed. adv.
MT	Admin. fund tax	0.13%	*****	Administration
NE	*****	*****	*****	*****
NV	Employment of claimants	.05% <u>3/</u>	*****	Trng. & admin. cost
NH	Emergency tax  Adverse rating cost  Special administrative	.5% <u>3/</u>  90- day T-Bill rate on last bus. day in May x the excess of ben. to contrib. for preceding 3 yrs.  0.1%	When commissioner determines emergency exists  Applies only to ERs. with a neg. bal. for the 3 yrs. prior to the computation date  Expires July 1, 2002	Solvency  Reduce neg. ERs. deficit and recover lost Fund int.  Administration
NJ	Rate increase  Rate increase  Advance interest tax  Surcharge  Workforce Development Partnership Tax	10% basic rate  0.3%- 0.6% + 20% basic rate for rated ERs;  0.6% nonrated <u>1/</u>  \$1 per EE  0.1%	When fund bal. less than 1%  When fund is less than 7% taxable wages  Applies only when int. due on Fed. adv.  *****  for contributing employers	Solvency  Solvency  Int. on Fed. adv.  Catastrophic Illness in Children Relief Fund  Workforce Development
NM	*****	*****	*****	*****
NY	Subsidiary tax  Re-Employment Service Fund  Additional tax	0.525% to 0.925%  0.075%  .3%	When Gen. Acct. bal. Below \$120M  *****  To pay Fed. adv.	Solvency  Automation, Re-employment serv., admin.  Int. on Fed. adv.
NC	Reserve Fund tax <u>8/</u>  Training and Reemployment	20% of contrib. due  lesser of 20% of the ER's rate or a % when added to the ER's contribution due is no greater than 5.7%	When fund Below 1.0% tax wages  for contributing employers	Solvency & Trng.  Training (2000-2001)
ND	*****	*****	*****	*****

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Table 206.-- Surtaxes (Continued)				
State	Surtax	Amount <u>2/</u>	Period or Conditions	Purpose
OH	Min. safe level	0.025%- 0.2% + additional % determined by formula <u>3/</u>	When fund 15% or more below min. safe levels	Solvency

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OK	Surcharge	Not specified	Applies for any qtr. the fund drops below \$25 million	Solvency
OR	Fed. adv. int. repayment tax	<u>1/</u>	Applies only when int. due on Fed. advances	Int. on Fed. adv.
	Wage security	0.03% <u>4/</u>	Qtr. ending 6-30-89 and 1 <sup>st</sup> qtr. of every odd numbered year thereafter	Special fund to cover claims on bankrupt ERs.
	Additional	0.25% <u>4/</u>	*****	JOBS PLUS prog.
PA	Surcharge	-1.5% -8.0% <u>3/</u>	Fund bal. ratio at or above 150% or below 110%	Solvency
	Additional	0% - .75% <u>3/</u>	Fund bal. ratio at least 75% or below 50%	Solvency
	Employee	0% - .2% <u>3/</u>	Fund bal. ratio at least 110% or below 75%	Solvency
	Advance int. tax	Up to 1.0% <u>1/3/</u>	Applies only when int. due on Fed. adv.	Int. on Fed. adv.
PR	Advance int. tax	<u>1/</u>	Applies only when int. due on Fed. adv.	Int. on Fed. adv.
	Special tax	1.0% <u>3/</u>	*****	Empl., trng., admi.
RI	Surtax	0.3% quarterly <u>3/</u>	Fund bal. below zero	Solvency
	Job Dev. assessment	0.21% <u>3/</u>	01/01/01	Job Dev. Fund
	Reemployment Assessment	0.03%	2001-2003 all contributing employers	Pay administrative expenses for reemployment programs
SC	Admin. contingency assessment	.06% <u>4/</u>	*****	Job placement for claimants
	Additional rates	0.35% - 1.05% <u>4/</u>	Statewide reserve ratio below 2.0%. For positive balance ERs	Solvency
SD	Investment S.D. future fee	0.7%-0% rated ERs; 0.7% new ERs <u>3/</u>	Varies according to ERs. reserve ratio	Research & econ. dev.
	Additional rates	0.1% - 1.5%	When fund below \$11M	Solvency
TN	Interest tax	<u>1/</u>	Applies only when int. due on adv.	Int. on Fed. adv.
	Job skills fee	.15% <u>9/</u>	*****	Job skills program

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Table 206.-- Surtaxes (Continued)				
State	Surtax	Amount <u>2/</u>	Period or Conditions	Purpose
TX <u>6/</u>	Deficit tax rate	Up to 2.0%	When fund below the greater of \$400M or 1% taxable wages	Solvency
	Advance int. tax	Up to 2.0% <u>1/</u>	Interest outstanding	Pay interest on outstanding indebtedness
UT	*****	*****	*****	*****

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VT	*****	*****	*****	*****
VI	Solvency rate	-5% - 2.4%	*****	Solvency
VA	Fund building rate	.2% <u>3/</u>	When fund bal. factor 50% or less	Solvency
	Pool tax	not specified	same or pool cost exceeds interest earnings	Recover noncharge benefits
WA	Special Employment Assistance tax	.02% <u>3/</u>	terminates the following year if Federal funding increases	Employment assistance
	Surtax	0.15% <u>1/</u>	*****	Fed. advances
	State Surtax	0.02%	*****	Claimant placement program
WV	Surtax	1.0%	Applies only to neg. bal. ERs., new foreign corporations and business entities engaged in construction trades	Limit neg. bal. ERs. deficit
	Assessment	.35% on EEs, % on ERs on \$21,000 tax wage base to = EE assessment <u>1/6/</u>	When bonds outstanding	Retire bonds, Fed. advances
WI	Fed. Int. Tax <u>7/</u>	Not specified	Applies when int. due on Fed. adv.	Int. on Fed. adv.
	Solvency Tax	0 -.85%	payroll balance	Solvency
WY	Adjustment factor	Up to 1.25% <u>3/</u>	When fund less than 4.0% of total payroll	Solvency
	Special reserve fund rate	20% of base rate or a variation computed and assigned by the department	When fund balance less than 1.0% of total wages.	Workforce development program, administration
	Delinquent rate	2%	*****	recover non-charges and ineffective charged benefits

(Footnotes to Table 206 on next page)

(Footnotes for Table 206)

1/In these States, the surtax rate is unspecified and will be determined by the amount of interest due on Federal advances. Excludes reimbursing ERs from interest payment surtaxes, AR, CT, DC, ID, LA, ME, NJ, OH, OR, PA, TX, and WA. Excludes governmental entities, reimbursing nonprofit organizations, political subdivisions electing the special rate, negative balance ERs, and ERs with positive balances of 7.0% or more, CO; excludes ERs with no benefit charges for 2 yrs. and no negative balance for the same 2 yrs, TN; excludes governmental ERs and ERs assigned a zero rate, IA; excludes zero rated ERs, OR; excludes reimbursing governmental entities or instrumentalities and nonprofit organizations, DE; excludes new ERs, PA. In some States with interest payment surtaxes it is not clear whether such surtaxes apply only to contributory employers.

2/Percentage figures include percent of taxable payroll, unless otherwise indicated.

3/Excludes reimbursing ERs: AR, CT, GA, HI, MD, MN, MS, NH, OH, RI, SD, VA, WA, and WY; new ERs, AL, AK, and PA; excludes governmental entities and political subdivisions, PR; governmental entities, reimbursing nonprofit organizations, and political subdivisions electing the special rate, CO; ERs at minimum .06%, negative balance ERs at 8.64%, and reimbursable ERs who elect to contribute, Ga; governmental entities and nonprofit organizations, IA; reimbursing ERs and ERs who pay 5.4% or more, NV; surcharge and additional taxes exclude reimbursing ERs, new ERs exempted from additional tax, and EE tax assessed on total wages, PA; ERs assigned the min. rate under schedule A and any ER whose account has not been charged during the 3 preceding FYs but pay the min. rate under schedule B, AL; exempts ERs whose benefit charge account balance for the last 3 FYs is less than \$100, CO.

4/CA, SC, (add. rate) exclude negative balance ERs; SC (contin. assess.) excludes nonprofit organizations, certain governmental ERs and ERs paying

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5.4%; AL, excludes reimbursing ERs, new ERs and ERs paying at least 5.4% but not more than 5.45%; excludes ERs paying 5.4%, AL, HI, and OR; CO, excludes ERs whose benefit charge account balance is zero.

5/No annual increase or decrease more than .03% AK.

6/Interest payment is not the sole purpose of interest payment surtaxes in the following States: also for payment of bonds issued to pay Federal advances, debt service, administrative costs, LA; also to pay debt service on bonds issued to avoid or pay Federal advances, TX; also to retire bonds, WV; interest on Federal advances may be paid from Employment Training Fund if approved by legislature, CA.

7/Inoperative unless authorized by the State agency.

8/The reserve fund tax will not apply for a year if the reserve fund exceeds \$163,349,000, NC.

9/ ERs. Assessed a UI premium rate and has a reserve ratio from 0% up to and including 12.0% will be assessed the .15%. Job skills fee when the most favorable schedule is in effect, TN.